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USDOC FOR 532/HPC/L. HINES/K. GAINES/JAY HATFIELD  
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL  
USDOC FOR 4530/MAC/ANESA/OSA  
ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: MAHANAGAR  
TELEPHONE NIGAM LIMITED, NEW DELHI, LICENSE NO. D361269

REF: USDOC 07096

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Acting Export Control Officer (ECO) Perry Davis and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at Mahanagar Telephone Nigam Ltd. (MTNL), New Delhi, on March 6, 2007.

¶3. BIS requested a PSV at MTNL, a GOI enterprise under the Ministry of Communications and Information Technology (MCIT), Website: [www.mtnl.net.in](http://www.mtnl.net.in). MTNL was listed as the Ultimate Consignee and Agilent Technologies India Pvt. Ltd. (Agilent), Bangalore, as the Intermediate Consignee for one (1) 5071A Primary Frequency Standard (PFS) controlled under ECCN 3A002. The license applicant was Symmetricon Inc., (Symmetricon), San Jose, CA.

¶4. ECO along with FSN Narayan met with Naresh Kumar Jindal (Jindal), Divisional Engineer-OCB TAX Karol Bagh, MTNL. Prashant Agrawal (Agrawal), Under Secretary (AMS), facilitated the meeting. Agrawal was also present at the meeting.

¶5. MTNL officials had not previously been aware of the BIS export regulations. Jindal did not recall a previous end-use check (EUC) visit of USG or BIS official to MTNL Karol Bagh exchange. Jindal was not aware of the BIS export license conditions or whether Symmetricon provided the conditions to MTNL or not. ECO informed Jindal that it is mandatory for U.S. exporter to provide the export license conditions in writing to the end-user and they should always have it in their files. ECO explained the conditions listed in reftel.

¶6. Jindal stated that in 2001 MTNL floated a global tender to purchase four PFS. Of the four PFS, three are operational and one is kept as stand-by. The tender was awarded to a local company Himachal Futuristic Communications Ltd. (HFCL). HFCL sourced all four PFS from Agilent and installed them at the MTNL Karol Bagh Exchange. One of the four PFS became faulty in 2005. In December 2005, it was sent for repairs through HFCL to Agilent in Bangalore. In turn Agilent sent it to Symmetricon for repairs. The MTNL Karol Bagh Exchange received it back in October 2006, under export license D361269.

¶7. Jindal was forthcoming and cooperative and provided a copy of the MTNL Purchase Order in favor of HFCL for supplying four PFS, MTNL letter informing HFCL of the need to repair the PFS, Agilent Delivery Note, dated October 11, 2006, reflecting delivery of PFS at MTNL Karol Bagh Exchange, Symmetricon Export License Application Information Form, completed by MTNL and acknowledging to abide by the BIS export license conditions, and MTNL End Use Certificate

including Form BXA-711.

¶8. Jindal stated the end-use of the PFS is synchronizing all telecom networking equipment. It is a master clock and the entire MTNL network is synchronized to this clock. It generates the accurate reference signal for distribution to the network. He stated that the life of a PFS is approximately seven years. After the meeting, ECO Davis and FSN Narayan were taken to the area where all four PFS were functioning. ECO was able to verify the serial number. However, the serial number forwarded to Post for this check, US3930176, seemed to be missing a digit. The actual serial number recorded off the PFS was US39301755, US39301757, and US39301758. The MTNL Karol Bagh Exchange is guarded 24 hours a day.

¶9. Established in 1986, MTNL is a public sector undertaking (PSU) under the administrative control of the GOI's Department of Telecommunication, MCIT. The GOI holds an equity of 52 percent and rest is the Indian public. Before 1986 it was 100 percent owned by GOI. MTNL was created to upgrade the quality of telecom services, expand the telecom network, introduce new services and to raise revenue for telecom development needs of India. In 2001 it was divided in two companies. MTNL became responsible for providing telecom services in Delhi and Mumbai and Bharat Sanchar Nigam Limited (BSNL) to rest of India. The telecom services provided by MTNL include fixed line telephones, cellular phones and internet. MTNL's clients for fixed line are approximately 1.6 million and for cellular phones approximately 1 million. MTNL employs approximately 55,000 employees.

¶10. Recommendation: Post recommends Mahanagar Telephone Nigam Ltd. as a reliable recipient of the controlled U.S.-origin commodity. All indications are that the listed commodity is being used in accordance with U.S. Export Administration Regulations.  
(PDAVIS/PNARAYAN) Pyatt